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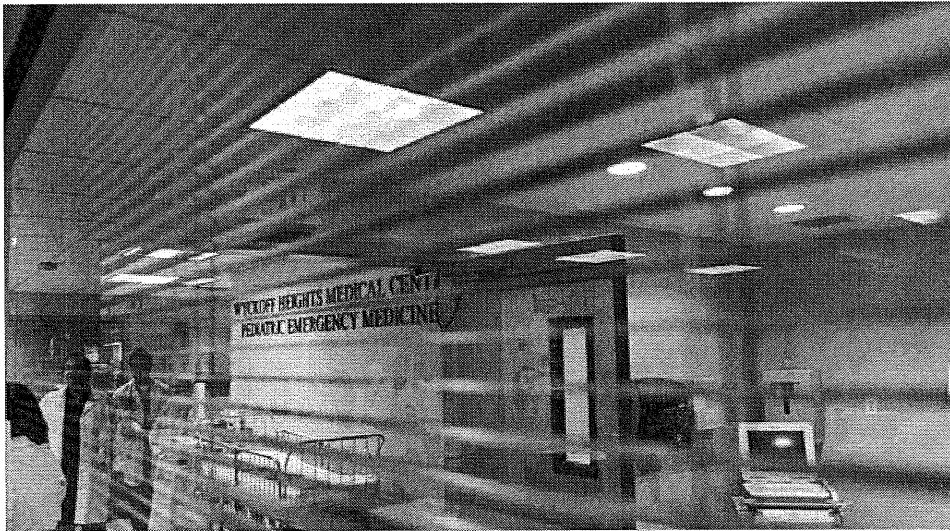
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At Ailing Brooklyn Hospital, Insider Deals and Lavish Perks



Robert Stolarik for The New York Times

Problems at Wyckoff Heights Medical Center in Bushwick, Brooklyn, have included an ousted chief executive, financial difficulties and an investigation by the Brooklyn district attorney.

By ANEMONA HARTOCOLLIS
 Published: March 25, 2012

In recent years, Wyckoff Heights Medical Center in Brooklyn has often gone hat in hand to the city and state, lamenting cuts in government assistance and questioning whether officials truly understood the burden of running a nonprofit hospital in Bushwick, one of the city's poorest neighborhoods.

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Ozier Muhammad/The New York Times

The hospital's doctors have turned against Ramon Rodriguez, the new chief.

For much of that time, Wyckoff's chief executive was driving to work in a Bentley Continental GT, a \$160,000 automobile, and at one point, the hospital paid thousands of dollars to insure the vehicle, according to hospital records and interviews. When the chief executive lost his license after an accident, hospital security guards chauffeured him and his wife around the clock in a Cadillac Escalade or a Lincoln Town Car.

The chief executive, Rajiv Garg, was not the only one who benefited from his ties with Wyckoff. One member of the hospital's board obtained for the pharmacy that he owned the exclusive right to market prescription drugs to hospital patients. Another board member lent \$2.4 million to the ailing Wyckoff at 12 percent interest, with the hospital required to put up several of its buildings as security.

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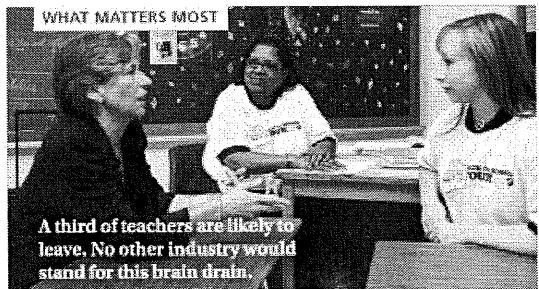
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Allen Epstein/Times Newsweekly

An aide for Senator John L. Sampson, second from right, lobbied for a doctor to receive a residency. Rajiv Garg, right, the former chief executive, drove a \$160,000 car that the hospital insured.

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Todd Heisler/The New York Times

Stephanie LaConte, 33, is suing her doctor and Wyckoff after the mesh used to repair her hernia burst while she was in the bath.

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Local politicians also joined in. Allies of United States Representative Edolphus Towns, Assemblyman Vito J. Lopez and Councilman Erik Martin Dilan have landed high-level positions at the hospital, despite questionable qualifications, further weakening its management. Mr. Dilan's wife became the hospital's director of public relations.

Many hospitals in downtrodden areas of New York City and across the state are faltering, raising concerns that a wave of closings will deprive poor people of badly needed care.

A three-month investigation by The New York Times into Wyckoff, based on dozens of interviews and an examination of internal documents, offers a sobering portrait of how one such hospital has been undermined by the very people entrusted to run it.

The hospital all but defaulted on its \$109 million in state-secured bonds, forcing the taxpayers to cover \$10 million due to bondholders before the state agreed in May to defer the hospital's overdue payments.

Wyckoff no longer even carries malpractice insurance.

Consumer Reports recently ranked Wyckoff among the worst hospitals in the New York region.

After years of decline, the hospital is also attracting the notice of the authorities. The Brooklyn district attorney, Charles J. Hynes, has begun examining its management and has presented evidence to a grand jury, according to legal documents.

Under pressure, the hospital's board recently ousted the president, Mr. Garg, who was being paid \$700,000 a year.

But some entrenched members of the hospital's board remain, and the hospital's doctors recently mounted an insurrection against Mr. Garg's replacement, Ramon Rodriguez. They circulated a letter saying that Mr. Rodriguez was not capable of running Wyckoff because of his "battles with depression."

Mr. Rodriguez called the letter "character assassination," saying that the doctors felt threatened by his reforms.

Wyckoff has been so troubled for so long that even the most accomplished leadership might have been unable to turn it around. But its recent difficulties have clearly been deepened by the management turmoil.

Wyckoff, which has 324 beds, is typical of the city's distressed hospitals. Dedicated in 1899 as the German Hospital of Brooklyn, Wyckoff straddles the border with Queens in a neighborhood where poverty and unemployment have begun to fall with gentrification, but where almost one out of three people is still poor.

The hospital cares for an average of 7,000 emergency room patients a month, most of whom do not have private insurance and rely on Medicaid, Medicare and other government programs to pay.

While cultivating political officials, Wyckoff often seems to have done little to market itself to patients and improve care.

Often, officials at failing hospitals point to their impoverished clientele as the cause of their problems. But there are middle-class patients just over the border in Queens, and artists and entrepreneurs are moving into Bushwick's lofts and row houses.

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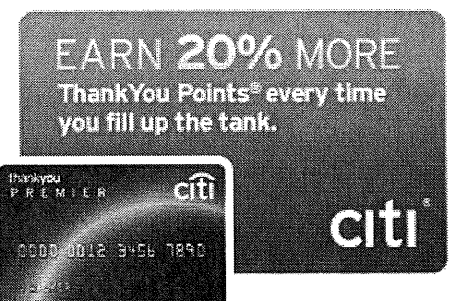
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Last year, a committee created by Gov. Andrew M. Cuomo identified Wyckoff and five other hospitals in Brooklyn as lacking the management quality, business model and financial strength to continue operating in their current form. The panel proposed to consolidate some of the hospitals.

In Bushwick, people do not want to lose their hospital. (The next-closest one, Woodhull, is nearly two miles away.)

But local leaders said Wyckoff's management had repeatedly let them down.

"If community members feel you're an overtly politicized place, or if you're abusing hospital money, they lose faith in your ability to serve the community," said Theo Oshiro, deputy director of Make the Road New York, an organizing group in Bushwick.

Abundant Spending

Soon after becoming Wyckoff's chief executive in 2008, Mr. Garg took a doctor to dinner with their wives at La Grenouille on the East Side. The check was about \$500, and he billed Wyckoff, according to records examined by The Times.

It was among the first of many luxuries billed to the hospital by Mr. Garg, a former banker. Wyckoff paid for numerous meals at expensive restaurants for Mr. Garg, as well as his trips to Sutton Stogies for drinks and cigars.

By his own admission, Mr. Garg spent \$7,000 on a trip to London for a four-day conference.

"The optics definitely don't look right," Mr. Garg conceded in an interview. "There's no intention to waste money. Sometimes it just happens."

His attitude, he said, was that "if you can save a couple of million here and there, and manage to spend \$500 on dinner, it doesn't really matter."

When Mr. Garg, now 52, arrived at Wyckoff, he had no experience managing a hospital, but did have connections.

An native of India who was educated in London, he moved to New York, where he was neighbors on Long Island with Dr. Addagada C. Rao, Wyckoff's chief of surgery. In April 2008, Mr. Garg and Dr. Rao bought a struggling medical school in the Caribbean and signed an affiliation agreement with Wyckoff.

Seven months later, Wyckoff's board appointed Mr. Garg as chief executive, and insider dealing became a pattern.

For example, Mr. Garg introduced hospital officials to Skyscape, a provider of mobile medical references, in which he had a financial interest. Wyckoff signed a contract with the company worth at least \$38,700, hospital records show, though the deal eventually fell through.

In August 2009, Mr. Garg said, he fell asleep at the wheel and crashed his Lexus into a truck. He then lost his license. Asked why in the interview, he said he was not certain, though he offered several explanations, including unpaid tickets and previous accidents.

He then used the hospital's cars — a Lincoln Town Car and a Cadillac Escalade — for himself and his family around the clock. They were driven by two security guards on overtime, a hospital official said.

He parked his other car, the \$160,000 Bentley, at Wyckoff and had the hospital put the vehicle on its own insurance policy.

Mr. Garg said he reimbursed the hospital \$10,000 for the insurance.

Last summer, the Brooklyn district attorney's office, alerted by angry hospital staff members, began investigating hospital finances. Prosecutors declined to comment.

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Mr. Garg said in the interview that he suspected that the drivers of the Town Car and the Escalade were eavesdropping on his conversations. So he had the hospital purchase a used stretch limousine for about \$33,000.

Just before Christmas 2011, the hospital board ousted Mr. Garg, and a few days later, the general counsel, David Hoffman, was dismissed by the new chief executive, Mr. Rodriguez.

Mr. Hoffman, who earned \$370,000 a year, had renewed his contract with the hospital just two months before, entitling him to \$925,000 for the remainder of his contract. Mr. Hoffman would not comment.

Mr. Garg said he agreed to resign in exchange for 15 months of severance, which came to \$875,000.

He defended his tenure, saying that he had overhauled the hospital's finances.

Audit reports indicate that the hospital's cash flow improved, but a state report in November said the hospital was still "struggling week to week to make payroll."

"The whole credit cycle was improved by me," Mr. Garg said. "Our name in the marketplace improved considerably."

Mr. Garg said he had been pushed out because doctors were upset that he had tried to stop them from poaching hospital patients with good insurance and billing them privately. He said he also asked them to clock in so they could not sneak out on hospital time to their private practices.

"We tried to build a performance system that would reward the better doctors, but they never gave us a chance to build it," he said.

"There's too much glue at Wyckoff," Mr. Garg said. "Everyone knows each other. You have a lot of people whose relatives work there. Partly it's the economics, partly it's the work culture. It's a free-for-all. To change that culture just didn't work."

He brushed aside questions about the Bentley.

"You know how many guys had 500 SE Mercedes there?" he said.

Political and Family Ties

Mason Pimsler was a rookie lawyer at a personal injury firm in Queens with an unorthodox approach to finding clients: He stole them by tapping into the answering service of a rival firm.

The rival firm caught on to what he was doing, and Mr. Pimsler was convicted of criminal impersonation in 1999 and disbarred.

But now, Mr. Pimsler has a new title and job: Dr. Pimsler of Wyckoff Hospital.

He owes this transformation in part to one of the state's most powerful Democrats, John L. Sampson of Brooklyn, the Senate Democratic leader.

Dr. Pimsler's appointment at Wyckoff points up the role of politics and connections at the hospital.

Dr. Pimsler, who did not serve jail time after his conviction, turned his life around and went to medical school in the Caribbean, graduating in 2008.

After graduation, doctors customarily serve three or more years as residents, which are essentially hospital apprenticeships. Competition for them is fierce.

In 2010, Dr. Pimsler obtained a temporary residency at Wyckoff after receiving strong recommendations from his supervisors at other hospitals.

At Wyckoff, he received positive evaluations, but he could not stay because there were no permanent openings. That year, Wyckoff had roughly 1,000 applicants for 22 residency positions.

An aide in Senator Sampson's office called Wyckoff's counsel, Mr. Hoffman, to lobby for Dr. Pimsler, who needed the approval of senior management because the residencies had already been budgeted and filled, according to hospital records.

The records were submitted to the Brooklyn district attorney's office as part of its inquiry into Wyckoff.

Mr. Hoffman approved the residency "over the cap," according to the records.

Dr. Pimsler had gotten to know Senator Sampson while working on legislation that would expunge convictions to allow people like him a second chance, the document showed. Senator Sampson's spokesman did not respond to requests for comment.

"I think John was a reference, I do, but so what?" Dr. Pimsler said in an interview. "I do deserve a second chance. I've proven that."

Other politicians also influenced Wyckoff's hiring.

Dr. Theophine Abakporo arrived at Wyckoff in 1996 from Harlem Hospital to work in emergency medicine. Originally from Nigeria, he said he found his way to the top blocked by what he believed was a clique of doctors at Wyckoff.

In 2009, according to data provided by MapLight.org, Dr. Abakporo, an American citizen, began donating money to the campaign of Representative Edolphus Towns, the Democrat who represents a nearby area. Mr. Towns, a longtime board member of Wyckoff, had by then been replaced by his chief of staff, Albert Wiltshire, on the board.

Dr. Abakporo gave \$1,000 to the Towns campaign, then \$750, according to election records.

With Mr. Wiltshire's support, Dr. Abakporo became chairman of emergency medical services.

In an interview, Dr. Abakporo said he had forgotten his reasons for donating. "You ask a citizen of the United States why he is involved in the political process?" he said.

Mr. Wiltshire said Dr. Abakporo was highly qualified, adding that he was just one vote on the search committee that promoted Dr. Abakporo. "We've become friends since then, it's no secret," Mr. Wiltshire said.

In fact, hospital officials routinely circulated fund-raising invitations for their political patrons, like one for a \$1,000-a-ticket event at a Yankees game in September, at which Senator Sampson was the host.

"I was told this is the way it was done," Mr. Garg, the former chief executive, recalled.

During the 2009-10 election cycle, physicians, executives and others associated with Wyckoff gave \$17,800 to the Towns campaign, second only to Microsoft in donations associated with a single organization, according to OpenSecrets.org.

Politicians also wanted jobs from Wyckoff.

Jannitza Luna-Dilan, wife of Councilman Dilan, a Democrat whose district includes the hospital, was hired as the hospital's \$75,000-a-year director of public relations.

Before that, "I was having babies at home," Ms. Luna-Dilan said. She said she did not interact with government, "more with community, school and church groups."

It was not just political connections, but family and ethnic connections.

Consider "the House of Arya," as some doctors refer to it.

Dr. Vijaypal Arya, a gastroenterologist, followed his brother, Rashpal Arya, also a gastroenterologist, to Wyckoff. They were joined by at least six other relatives.

“What I would say is that a lot of other people do the same thing,” Dr. Vijaypal Arya said.

Low Marks for Care

Stephanie LaConte, a corrections officer with three young children, expected her hernia operation to be routine.

When she complained about pain for more than two months afterward, her doctor, Percy Erachshaw, assured her that everything was fine, she said.

Then the mesh used to repair her hernia burst while she was in the bath.

“You could hear it go fffffff,” Ms. LaConte said. “The tub was covered in blood. I totally freaked out.”

Ms. LaConte, now 33, said the surgery left her disfigured and unable to work. She is suing her doctor and Wyckoff for what her lawyer, Andrew Friedman, said was a raging infection.

“Wyckoff Hospital is one of the worst hospitals I’ve ever seen,” Ms. LaConte said. “The staff is disrespectful. It’s dirty. It’s disgusting.”

Dr. Erachshaw did not respond to requests for comment left at his home. His lawyer, Denise Buda, declined to comment.

Dr. Erachshaw is also under investigation by the State Office of Professional Medical Conduct, and the hospital has suspended his operating privileges, according to an e-mail sent to trustees by the new chief executive, Mr. Rodriguez.

Mr. Rodriguez said residents had complained that Dr. Erachshaw intimidated them into steering hospital patients to his private practice, that he signed off on operations for which he was not present and that he performed unnecessary operations.

Overall, Wyckoff ranks well below average on many measures of patient care and satisfaction. In February, Consumer Reports rated Wyckoff as the sixth-worst hospital out of 81 in the New York area for patient safety.

The Joint Commission, which accredits hospitals, reports that patients rate Wyckoff well below average for how well doctors and nurses communicate with patients, how helpful the staff is and how well pain is controlled.

Wyckoff ranks high in complaints to the State Health Department, with a rate of 2.1 complaints per 10,000 patient days, compared with 1.39 statewide.

In 2009, under Mr. Garg’s watch, the state investigated a number of serious incidents, including at least two deaths and a pregnant woman who was improperly discharged, according to detailed reports obtained by The Times.

A man came to the emergency room with chest pain and numbness in his leg. He died after doctors missed a heart problem.

A woman in the 23rd week of pregnancy arrived with bleeding and back pain and was examined by a doctor in the first year out of medical school. The doctor sent her for a sonogram, and she delivered a baby in the toilet while waiting for the test.

Conflicts of Interest

With his solicitous manner and tailored sport jackets, Gary Goffner, a pharmacist who serves on Wyckoff’s board, has long endeared himself to customers and doctors alike.

He inherited his pharmacy, Kraupner, from his father, a prominent Bushwick landlord as well as a pharmacist, who died recently. It is an old-fashioned store, crammed with supplies, the opposite of an orderly Rite Aid.

It is also a half-mile walk from Wyckoff, a disadvantage Mr. Goffner overcame through a contract that gave him exclusive access to Wyckoff patients as they were being discharged, and allowed him to keep an employee at the hospital to promote his business.

Mr. Goffner and other members of Wyckoff's board became part of a culture of self-dealing that flourished unchallenged by state regulators.

According to internal hospital documents, 13 of the hospital's 22 board members declared at least one conflict of interest.

Nonprofit experts say such conflicts of interest, while not necessarily illegal, are highly inadvisable because they call into question whether the board members are looking out for their own welfare or the hospital's.

Mr. Goffner had three conflicts, more than any board member. He had the exclusive contract to dispense drugs.

He served on an advisory committee for the Ridgewood Bushwick Senior Citizens Council, which was founded by Assemblyman Lopez, the powerful Brooklyn Democratic leader, and sponsors a nursing home, Buena Vida, that sends many patients to Wyckoff. And Mr. Goffner was the landlord of a building being rented by the hospital.

Former and current hospital officials said Mr. Goffner was made a trustee because of his relationship with Assemblyman Lopez.

Asked who had requested that he join Wyckoff's board, Mr. Goffner said, "To be honest with you, I don't know."

Assemblyman Lopez said he was closer to Mr. Goffner's father. "I have no vested support of anyone on the board," he said.

Another trustee, Frank Chiarello, a real estate broker, was a partner in an organization, Wyckoff Funding Associates, that lent \$2.4 million to the hospital, at 12 percent interest, using some hospital buildings as security.

Yet another trustee, Andrew Boisselle, president of Cebco check cashing, provided on-site check cashing for Wyckoff employees.

Mr. Chiarello and Mr. Boisselle declined to comment.

Mr. Goffner's pharmacy contract with Wyckoff led to disputes with nearby pharmacists, including a 2009 lawsuit by a pharmacist who had a lease to run a pharmacy in the hospital lobby.

In court papers, the vice president of the lobby pharmacy, Ronald Edelstein, said hospital workers were "steering patients away from filling their outpatient prescriptions at the Lobby, and instead were steering said patients" to Kraupner.

Mr. Edelstein, who settled, declined to comment.

Mr. Goffner said he had received the pharmacy contract under a federal program before becoming a trustee in 2008.

"Let them take this godforsaken program and let me out of it," he said. "I give great service. My customers are going to come to me either way."

He said his relationship with Assemblyman Lopez was based on civic spirit.

"I have filled his prescriptions," he said. "We are not friends. I respect him, and he seems to do good things."

Mr. Goffner is an owner of a building at 1411 Myrtle Avenue, where the hospital is now paying \$11,200 a month in rent, according to the lease.

The hospital had planned to use the building as a clinic, but for more than a year and a half it has been vacant, even though Wyckoff received a state grant to refurbish it in September 2010.

The previous tenant was a clothing and sneaker store. The store's owner, Harpal Singh, said his rent had been reduced to about \$5,000 a month because the location was poor. Mr. Goffner said the rent had been cut, "with a promise to pay the remainder once he caught up on his bills."

In the recent shakeup at the hospital that led to the ouster of Mr. Garg as chief executive, Mr. Goffner came out on top. He is now chairman of the board.

Mr. Goffner helped find Mr. Garg's replacement, Mr. Rodriguez, a member of the panel set up by Governor Cuomo to find solutions for ailing Brooklyn hospitals.

Mr. Rodriguez, a lanky 6 feet 3 and usually dressed in a black suit and stylish glasses, has been conducting meetings with the staff, during which he has promised to clean house and sell the limousine.

"I can't come here and park my Bentley now," he said. "I have a Hyundai, by the way."

He declared that he wanted to change the inbred culture of the institution, and said he had made the recruitment of new doctors and trustees a priority. He has begun replacing some senior staff members.

He talked about making Wyckoff attractive to people over the border in Queens, and to young people like his sons, Tomas, who jams with his band in Bushwick, and Gabriel, an actor, who is looking for an apartment there.

Like Mr. Garg, he began challenging hospital doctors who were billing patients privately.

But this month, some doctors revolted.

A lawyer who said she represented the medical staff circulated a "no confidence" letter to the trustees. The letter said Mr. Rodriguez should be removed because, among other reasons, his LinkedIn page said he had suffered from depression and had been healed by drugs after being abruptly fired from another job as chief executive.

Mr. Rodriguez said in an interview that he had had clinical depression years ago. He called the letter outrageous and evidence that a small, disgruntled group of doctors was resisting his efforts to bring about major changes at Wyckoff.

"I am acting against some physicians who are taking advantage of a system that people did not pay attention to," he said.

The hospital recently sold the stretch limousine for \$18,000; it had cost \$33,000 eight months ago. It sold the Lincoln Town Car for \$9,000 and hopes to get \$18,000 for the Escalade.

Mr. Rodriguez proposed to stay at least six months, at an annualized salary of \$500,000, with a guarantee of three months' severance if his contract was not extended. He promised to work to keep the hospital open and independent, in defiance of the merger plan that his own panel had endorsed last year.

To do that, he would need political support. In February, Assemblyman Lopez hosted a cocktail party in Brooklyn.

Tickets were \$250, \$500 and \$1,000, and the borough's movers and shakers attended. Halfway through the evening, in strolled Mr. Goffner and his guest, Mr. Rodriguez.

Research was contributed by Jack Begg, Sheelagh McNeill, Lisa Schwartz, Jack Styczynski and Susan Weber-Stoger.



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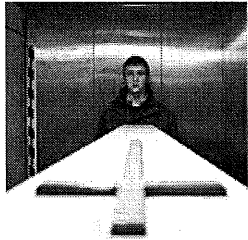
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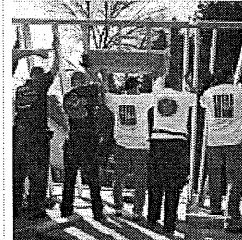


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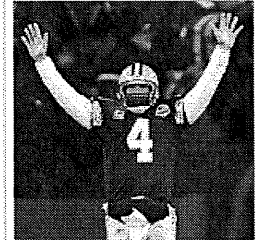
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